



## MERCATOR HEALTH ADVISORS

Mitchell D. Monsour, FACHE


To: Paul Storey  
From: Mitch Monsour  
Date: 2/6/2009  
Re: Northwest / Mercator Relationship


I take our discussion positively in the belief that our work has identified the potential for the "Schmieding" Center to serve as a broad 65+ asset for the Northwest Health System. I believe you understand my Vision and passion in these matters.

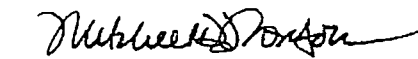
Given the historical structure / environment that the Schmieding Center has operated and the decline in overall Northwest Medicare outpatient services, it is my belief that a consultative relationship is the superior approach and an advantage to all parties. Therefore, I present the following as an alternative to your proposal this morning. (February 5, 2009):

1. \$10,000 per month consultation
2. Two weeks on site with daily access off site
3. \$100,000 Bonus cap based on the Schmieding Clinics (Springdale and Bella Vista) routine clinic revenues; physician revenues; ancillary revenues; Nursing Home rounding; Hospital rounding; Medical Director fees; and contribution to NHS wound care, sleep lab, and cardio-pulmonary rehabilitation
4. A Bonus will be calculated quarterly based on 10% of any financial improvement against the \$800,000 loss in 2008, with comparative 2008 financials so provided
5. 12 Month Contract / 60 Day Notice / Automatic renewal for 12 months if not cancelled by October 31, 2009; Base Day: February 1, 2009
6. \$500 Monthly Travel Expenses (Auto, Food, etc.)
7. Hospital Based Apartment on site
8. Business Expenses Pass Through (Typing, Copies, Supplies)

I strongly believe this arrangement will best meet the goals / requirements of all parties involved. (Northwest, Mercator, Physicians, Patients) Thank you for your consideration.

  
W. Douglas Arnold  
CEO  
Northwest Health System

  
Paul Storey  
Vice President Physician Services

  
Mitchell D. Monsour, FACHE  
President  
Mercator Health Advisors

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